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10/825,960	04/16/2004	Steven L. VanFleet	020375-050200US	8212

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EXAMINER

EBERSMAN, BRUCE I

ART UNIT	PAPER NUMBER
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3691

MAIL DATE	DELIVERY MODE
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12/31/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/825,960	Applicant(s) VANFLEET ET AL.	
	Examiner BRUCE I. EBERSMAN	Art Unit 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 October 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-33 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-9 and 19-26 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 9/18/08 has been entered. On 10/17/08, applicant filed an RCE. Claims 1-33 pending. Applicant amended claims 1,10,19,27.

2. During a telephone conversation with Attorney Stephen Jewett on 12/19/08 a provisional election was made without traverse to prosecute the invention of claims 1-9,19-26. Affirmation of this election must be made by applicant in replying to this Office action. Claims 10-18,27-33 are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention.

Election/Restrictions

3. Restriction to one of the following inventions is required under 35 U.S.C. 121:
- I. Claims 1-9,19-26, drawn to a method for processing a transaction using a private label card, classified in class 705, subclass 39.
 - II. Claims 10-18, 27-33 drawn to a Method of enrolling a customer in a payment method, classified in class 705, subclass 35.

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4. Inventions I and II are related as combination and subcombination. Inventions in this relationship are distinct if it can be shown that (1) the combination as claimed does not require the particulars of the subcombination as claimed for patentability, and (2) that the subcombination has utility by itself or in other combinations (MPEP § 806.05(c)). In the instant case, the combination as claimed does not require the particulars of the subcombination as claimed because the use of the transaction mechanism does not require customer enrollment activity. The subcombination has separate utility such as enrollment of the customer for a variety of cards and credit.

The examiner has required restriction between combination and subcombination inventions. Where applicant elects a subcombination, and claims thereto are subsequently found allowable, any claim(s) depending from or otherwise requiring all the limitations of the allowable subcombination will be examined for patentability in accordance with 37 CFR 1.104. See MPEP § 821.04(a). Applicant is advised that if any claim presented in a continuation or divisional application is anticipated by, or includes all the limitations of, a claim that is allowable in the present application, such claim may be subject to provisional statutory and/or nonstatutory double patenting rejections over the claims of the instant application.

5. Restriction for examination purposes as indicated is proper because all these inventions listed in this action are independent or distinct for the reasons given above and there would be a serious search and examination burden if restriction were not required because one or more of the following reasons apply:

- (a) the inventions have acquired a separate status in the art in view of their different classification;
- (b) the inventions have acquired a separate status in the art due to their recognized divergent subject matter;
- (c) the inventions require a different field of search (for example, searching different classes/subclasses or electronic resources, or employing different search queries);
- (d) the prior art applicable to one invention would not likely be applicable to another invention;
- (e) the inventions are likely to raise different non-prior art issues under 35 U.S.C. 101 and/or 35 U.S.C. 112, first paragraph.

Applicant is advised that the reply to this requirement to be complete must include (i) an election of a invention to be examined even though the requirement may be traversed (37 CFR 1.143) and (ii) identification of the claims encompassing the elected invention.

The election of an invention may be made with or without traverse. To reserve a right to petition, the election must be made with traverse. If the reply does not distinctly and specifically point out supposed errors in the restriction requirement, the election shall be treated as an election without traverse. Traversal must be presented at the time of election in order to be considered timely. Failure to timely traverse the requirement will result in the loss of right to petition under 37 CFR 1.144. If claims are added after

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the election, applicant must indicate which of these claims are readable on the elected invention.

If claims are added after the election, applicant must indicate which of these claims are readable upon the elected invention.

Should applicant traverse on the ground that the inventions are not patentably distinct, applicant should submit evidence or identify such evidence now of record showing the inventions to be obvious variants or clearly admit on the record that this is the case. In either instance, if the examiner finds one of the inventions unpatentable over the prior art, the evidence or admission may be used in a rejection under 35 U.S.C. 103(a) of the other invention.

Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-9 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Supreme Court precedent, and recent Federal Circuit decisions, a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing.

Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9

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(1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

Applicant claims a “computer implemented method” in claim 1 preamble for example. This would be acceptable, however, in the body of the claims. This is a nominal tie to another apparatus (i.e. computer) and is merely an insignificant extra-solution activity (See *In re Bilski*). Therefore, since Applicant claims inputting, outputting, and storing data without imposing meaningful limits on the claim’s scope, the claim amendment filed on October 9, 2008, requires modification in order to fully comply with current guidelines.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 4, 5, 8, 9, 19, 24 and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Publication 20040117300 to Jones in view of 2003/0191715 to Pinizzotto in further view of the Washington Shopping Plate Associates. (3 pages October 2005, cited for its references dating the 1960's.

As per claims 1, 19, Jones discloses;

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receiving, at a payment network, and in response to a transaction being conducted using a private label card at a merchant, (0033, 0034, network is used)

a first information packet from the merchant, the first information packet including a cost of a financial transaction between the merchant and a customer (0034, transaction of merchant when used as a private label card is routed to issuer via private label network.)

and a private label card account identifier for the account associated with the private label card

presented by the customer as a payment for the financial transaction, (0025)

using the private label card account identifier to determine, with the payment network, account information that identifies a financial account maintained by the customer at a financial institution that is separate from the merchant and merchant consortium (0006, merchants and associated affiliates)

Note:

Claim 19, adds;

A communications device, processor, storage and memory, computer readable media. (jones, 0047, 61, claim 35, etc.)

Jones does not explicitly teach; (debit based transaction information)

and that identifies authorization information that allows debit access to the identified financial account;

generating, at the payment network, a second information packet comprising the transaction information, the account information, and the authorization information; and

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transmitting from the payment network, the second information packet to the financial institution with a request to perform a debit transaction from the identified financial account for the cost of the financial

(fig. fig. 2, #31 and 0034, makes appropriate inquiry of bank or credit processing station concerning the availability of funds in the bank for a debit card transaction)

so that the cost of transaction conducted against

the account of the private label card is authorized and paid by the financial institution based on the financial account. (0035-8, states that processing steps are well known (0037), 0058, private label card)

Further, Jones alludes to private label cards being usable at Sears and affiliates but, not explicitly merchant consortiums.

Pinizotto teaches;

and that identifies authorization information that allows debit access to the identified financial account; (0033-34 determine availability of funds at account number specified, works for debit or credit)

generating, at the payment network, a second information packet comprising the transaction information, the account information, and the authorization information; and transmitting from the payment network, the second information packet to the financial institution with a request to perform a debit transaction from the identified financial account for the cost of the financial

(fig. fig. 2, #31 and 0034, makes appropriate inquiry of bank or credit processing station concerning the availability of funds in the bank for a debit card transaction)

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so that the cost of transaction conducted against

the account of the private label card is authorized and paid by the financial institution based on the financial account. (0035-8, states that processing steps are well known (0037), 0058, private label card)

It would therefore have been obvious to combine the Private card which has flexibility as a result of master card branding with the debit card principals of Pinizzotto for the motivation of utilizing debit cards versus credit cards for private label application so as to avoid the cost of credit card processing and further assure that payment will be made (0004)

Jones and Pinizzotto do not explicitly provide a clear indication of a merchant consortium, though one is alluded to in the sense that Sears and affiliates could be a consortium, ie the definition of affiliates could included affiliation with a group of members of an organization.

The examiner cites to: Washington Shopping Plate as a consortium of merchants dating to the 1950's offering a charge card usable at several department stores. (see 3 page article and , secondary citing). It would have been obvious one of ordinary skill in the art at the time of the invention to combine the dual card which works as a private or non-private label card of Jones with the debit card teachings of Pinizzotto and to apply this concept of debit card processing to a consortium of merchants (like jones's affiliates) for the purpose of allowing multiple merchants to accept the same private store card so as to by-pass or limit transaction costs and yet avoid having to have a separate card for each store in the customers pocket.

As per claims 4, Jones discloses; .

wherein the first information packet

further includes a credential received from the customer, the method further comprising determining, with the payment network, that the credential is associated with the private label card account identifier. (0014,0022,0025)

Jones does not explicitly disclose a credential (like a PIN).

Pinizzotto teaches a PIN number credential. (0030).

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the debit based authorization including a PIN of Pinizzotto for the motivation of using a card which would allow for more ready payment versus credit where the payment might be more easily disputed. (0004)

As per claims 5,25, Jones discloses a primary account number. (0022) Jones does not explicitly disclose a PIN number.

Pinizzotto teaches a PIN number credential. (0030).

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the debit based authorization including a PIN of Pinizzotto for the motivation of using a card which would allow for more ready payment versus credit where the payment might be more easily disputed.

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(0004)

As per claims 8,24, Jones does not explicitly disclose;
wherein the second information packet
is transmitted directly to the financial institution from the payment network.

Pinizzotto teaches;
wherein the second information packet
is transmitted directly to the financial institution from the payment network.(0011)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card disclosure of Jones with the debit based packet information of Pinizotto for the motivation of using a card which would allow for more ready payment versus credit where the payment might be more easily disputed. (0004)

As per claims 9, 26, Jones discloses; further comprising crediting, with the payment network, a loyalty program for the customer in response to execution of the financial transaction. (0024, loyalty programs disclosed in several contexts in the app.)

Claims 2-3,6,20-22 are rejected under 35 U.S.C. 103(a) over US Patent Publication 20040117300 to Jones in view of 2003/0191715 to Pinizzotto in further view of the Washington Shopping Plate Associates. (3 pages October 2005, cited for it's references dating the 1960's) and further in view of US Patent Publication 20020178112 to Goeller

As per claims 2, 20, Jones does not explicitly disclose;

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receiving, at the payment network, a response from the financial institution indicating approval or denial of the debit transaction; and

transmitting, from the payment network, an authorization code to the merchant indicating approval or denial of the financial transaction in accordance with the response received from the financial institution.

Pinizotto teaches;

receiving, at the payment network, a response from the financial institution indicating approval or denial of the debit transaction; and (0035, payment verification)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the debit based authorization of Pinizotto for the motivation of using a card which would allow for more ready payment versus credit where the payment might be more easily disputed. (0004)

Jones, Pinizotto and Washington Shopping Plate do not explicitly disclose;

transmitting, from the payment network, an authorization code to the merchant indicating approval or denial of the financial transaction in accordance with the response received from the financial institution.

Goeller teaches;

transmitting, from the payment network, an authorization code to the merchant indicating approval or denial of the financial transaction in accordance with the response received from the financial institution. (table 2, under processing code, see also 0041, authorization is common with Check clearing for example)

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It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the authorization code teachings of Goeller for the motivation of ensuring the payment will likely be made for a debit based transaction, avoiding merchant losses. (0004)

As per claims 3,21, Johnson and Pinezotto and Washington Shopping Plate do not explicitly disclose;

performing, with the payment network, a risk analysis of the financial transaction;
and determining, with the payment network, whether to provide a guarantee of the financial transaction to the merchant based on the risk analysis,
wherein the authorization code further reflects whether the guarantee is provided.

Goeller teaches;

performing, with the payment network, a risk analysis of the financial transaction;
and determining, with the payment network, whether to provide a guarantee of the financial transaction to the merchant based on the risk analysis,
wherein the authorization code further reflects whether the guarantee is provided.

(0041, table 2)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the authorization code teachings of Goeller for the motivation of ensuring the payment will likely be made for a debit based transaction, avoiding merchant losses. (0004)

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As per claims 6, 22, Jones, Pinezzotto and Washington Shopping Plate do not explicitly disclose an ACH network clearing.

Goeller teaches the ACH network.

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card teachings of Jones with the Ach network teachings of Goeller for the motivation of ensuring the payment will likely be made for a debit based transaction, avoiding merchant losses. (0004)

Claims 2-3,6,20-22 are rejected under 35 U.S.C. 103(a) over US Patent Publication 20040117300 to Jones in view of 2003/0191715 to Pinizzotto in further view of the Washington Shopping Plate Associates. (3 pages October 2005, cited for it's references dating the 1960's. further in view of US Patent Publication to Kazaks 20020046341

As per claims 7, 23, Jones, Pinizzotto and Washington Shopping Plate does not explicitly disclose a debit based system. (Jones only debits, Pinizotto systems using debits.

Kazaks teaches;

wherein the second information packet

is transmitted to the financial institution over a debit system. (0019, where a debit system would be part of existing debit card infrastructure)

It would therefore have been obvious to one of ordinary skill in the art at the time of the invention to combine the card disclosure of Jones with the debit system of Kazaks for the motivation of using a debit based system to facilitate purchases. (0004)

Response to Arguments

8. Applicant's arguments with respect to claims 1, 19 have been considered but are moot in view of the new ground(s) of rejection. The examiner has provided new references partially in view of applicant's amendment and in order to simplify the rejection.

9. The applicant's attorney has agreed to withdraw claims 10-18, 27-32 pursuant to an oral election requirement without traverse. As such, claims 10-18, 27-32 are withdrawn.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to BRUCE I. EBERSMAN whose telephone number is (571)270-3442. The examiner can normally be reached on 630am-5pm, Monday-Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Alexander Kalinowski/
Supervisory Patent Examiner, Art Unit 3691

Bruce I Ebersman
Examiner
Art Unit 3691
